



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
LANSING



STEVEN E. CHESTER  
DIRECTOR

April 10, 2006

EPA Region 5 Records Ctr.



276511

Mr. Jason El-Zein, Chief  
Region 5 Emergency Response Section  
United States Environmental Protection Agency  
9311 Groh Road  
Grosse Ile, Michigan 48138

Dear Mr. El-Zein:

**SUBJECT:** Request for Assistance on the Florida Gas Site,  
Houghton County, Michigan

The Florida Gas site (Site), located near Calumet, Michigan, is a site of environmental contamination. The Michigan Department of Environmental Quality (DEQ) has identified historic coal gasification activities conducted at the property located on M-26, Lake Linden Avenue in the village of Laurium (Property), which is now owned by Marjay Inc.<sup>1</sup> (Marjay) [formerly Peninsular Gas Company, hereinafter considered one-in-the-same] as the source of the contamination. Hazardous substances are present at the Site in concentrations exceeding the generic residential cleanup criteria developed under Part 201, Environmental Remediation, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA), and the Part 201 Administrative Rules.

Remedial investigations were conducted at the Site during the 1990s (you may recall that Mr. Ralph Dollhopf of your office was involved in these investigations). In order to assure the protection of the public health, safety, welfare, and the environment, the DEQ conducted state-funded removal actions between 1997 and 2001 to address hazardous substances that migrated from the Property and were present in surface ditches and soils within an adjacent residential area and nearby wetlands. Although contamination present at the Property was not addressed, previous groundwater monitoring suggested that the manufactured gas process (MGP) waste (i.e., tars and heavy oils) were not migrating from the Property due to the tight geologic formation. Consequently, the DEQ initiated a long-term groundwater monitoring program to monitor environmental conditions at the Site.

During the DEQ's 2005 annual groundwater monitoring, MGP waste was observed in a monitor well on the Property and in a monitor well adjacent to and immediately downgradient of the Property. The presence of MGP waste in these wells may be an indication that the MGP waste have begun to migrate. The DEQ has determined that the presence of MGP waste in Monitor Well GMW-3 is indicative of conditions that pose an imminent and substantial threat to public health and the environment, and if left unaddressed, could compromise the effectiveness of the response activities previously undertaken by the DEQ.

<sup>1</sup> Marjay, Inc. is the recent corporate and legal successor to Peninsular Gas Company; originally Calumet Gas Company in 1906.

Please note that in 2004, the DEQ and Marjay entered into an "ability-to-pay" Administrative Order by Consent (Order) that fully resolved Marjay's liability under Part 31, Water Resources Protection, and Part 201 of the NREPA, and the Comprehensive Environmental Response, Compensation and Liability Act, 1980 PL 96-510, for contamination at the Site. Based upon review of Marjay's financial records, the DEQ concluded that Marjay did not have the financial resources to undertake the necessary response activities to address contamination at the Site and still continue to exist as a viable company. Consequently, the Order resolved all state claims for the performance of response activities and reimbursement of the state's past and future response activity costs that have been or will be incurred in responding to releases or threats of releases of hazardous substances at and emanating from the Property, which occurred prior to the effective date of the Order. However, under the Order, Marjay is still required to comply with the due care obligations set forth under Section 20107a of the NREPA. Based upon currently available information, the DEQ considers Marjay to be in compliance with the terms of the Order.

Marjay sold its regional natural gas distribution system to SEMCO Energy Inc., which has secured an easement to the Property to maintain a pipeline that runs under the Property and to install a radio tower along with a service building and backup power generator. Marjay continues to own the Property, which is essentially idle, but has recently listed the Property for sale. As such, the DEQ considers the Property to be subject to the Superfund Memorandum of Agreement Addendum 1 – Brownfield Redevelopment that was executed by the United States Environmental Protection Agency (U.S. EPA) and the DEQ on July 10, 1996. However, due to severe budget constraints, the DEQ does not have the financial resources to address the imminent threat posed by the MGP waste. Therefore, on behalf of the DEQ, I am requesting the U.S. EPA's assistance in conducting response activities to address the MGP waste. Please also note that although the DEQ anticipates that additional response activities beyond source removal will not be necessary, the DEQ does not have the financial resources available to commit to any long-term or short-term operation and maintenance.

Please let me know if the U.S. EPA can be of assistance in this effort. Recently, Mr. Brian Kelly, also of your office, has become familiar with DEQ efforts and the recent challenges posed by the presence of the MGP wastes at this site. If you have any questions, please contact Ms. Amy Keranen, of our Calumet Field Office, at 906-337-0389, or you may contact me.

Sincerely,



Andrew W. Mogarth, Chief  
Remediation and Redevelopment Division  
517-335-1104

cc: Marjay Inc.  
Mr. Gary L. Field, PLLC  
Mr. Brian Kelly, U.S. EPA  
Mr. Ralph Dollhopf, U. S. EPA  
Mr. Phillip L. Schrantz, DEQ  
Ms. Nanette Leemon, DEQ  
Mr. Clifton Clark, DEQ  
Mr. Frank Woodward, DEQ  
Ms. Amy Keranen, DEQ